



U.S. Department of Justice

United States Attorney
Southern District of New York

The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007

Count Ex. B
RJS
6/6/16

June 3, 2016

By Electronic Mail

Alan Levine, Esq.
Laura Birger, Esq.
Cooley LLP
The Grace Building
1114 Avenue of the Americas
New York, New York 10036
Email: alevine@cooley.com
lbirger@cooley.com

Re: *United States v. Jona Rechnitz*,
16 Cr. __ (RJS)

Dear Mr. Levine and Ms. Birger:

On the understandings specified below, the Office of the United States Attorney for the Southern District of New York ("this Office") will accept a guilty plea from Jona Rechnitz ("Rechnitz" or the "defendant") to Count One of the criminal information attached hereto as Exhibit A (the "Information"), charging him with violating Title 18, United States Code, Section 1349, in connection with his participation in a conspiracy to commit honest services wire fraud.

This charge carries a maximum term of imprisonment of 20 years; a maximum term of supervised release of three years; a maximum fine, pursuant to Title 18, United States Code, Section 3571, of the greatest of \$250,000, twice the gross pecuniary gain derived from the offense, or twice the gross pecuniary loss to persons other than the defendant as a result of the offense; and a \$100 mandatory special assessment. In addition to the foregoing, the Court must order restitution as specified below.

It is further understood that Rechnitz shall make restitution in an amount to be specified by the Court in accordance with 18 U.S.C. §§ 3663, 3663A, and 3664. This amount shall be paid according to a plan established by the Court.

The defendant further admits the forfeiture allegation with respect to Count One of the Information and agrees to forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the offense.

It is understood that Rechnitz (a) shall truthfully and completely disclose all information with respect to the activities of himself and others concerning all matters about which this Office inquires of him, which information can be used for any purpose; (b) shall cooperate fully with this Office, the Federal Bureau of Investigation, the New York City Police Department, and any other law enforcement agency designated by this Office; (c) shall attend all meetings at which this Office requests his presence; (d) shall provide to this Office, upon request, any document, record, or other tangible evidence relating to matters about which this Office or any designated law enforcement agency inquires of him; (e) shall truthfully testify before the grand jury and at any trial and other court proceeding with respect to any matters about which this Office may request his testimony; (f) shall bring to this Office's attention all crimes which he has committed, and all administrative, civil, or criminal proceedings, investigations, or prosecutions in which he has been or is a subject, target, party, or witness; and, (g) shall commit no further crimes whatsoever. Moreover, any assistance Rechnitz may provide to federal criminal investigators shall be pursuant to the specific instructions and control of this Office and designated investigators.

It is understood that this Office cannot, and does not, agree not to prosecute Rechnitz for criminal tax violations, if any. However, if Rechnitz fully complies with the understandings specified in this Agreement, no testimony or other information given by him (or any other information directly or indirectly derived therefrom) will be used against him in any criminal tax prosecution. Moreover, if Rechnitz fully complies with the understandings specified in this Agreement, he will not be further prosecuted criminally by this Office for any crimes, except for criminal tax violations, related to his participation in the following conduct, to the extent that he has disclosed such participation to this Office as of the date of this Agreement: (i) his participation in a conspiracy to commit honest services wire fraud as described herein and as charged in the Information; (ii) his referral of investors to, and his own investment in, what Rechnitz believed to be a wholesale liquor investment operation run by Hamlet Peralta from in or about 2013 to in or about 2015, which Rechnitz later learned was a Ponzi scheme; (iii) his false statement to law enforcement officers, in or about 2015, in which Rechnitz minimized the amount of payments he received in cash from Hamlet Peralta for investors Rechnitz referred to Peralta; (iv) his enrollment in, and payment of health insurance premiums to, the healthcare insurance plan of a company (the "Company") for which he was not an employee and for whom he did not work, from in or about 2014 to in or about 2016; (v) his false representation on an NYPD gun permit application in or about 2014 that he worked for the Company; (vi) his placement of sports bets from in or about 2013 to in or about 2015; and (vii) his reimbursement to two donors for campaign donations such donors made to a mayoral campaign in 2013. This Agreement does not provide any protection against prosecution for any crimes except as set forth above.

It is understood that all of the conduct set forth in subsections (ii) through (vii) of the preceding paragraph constitutes either relevant conduct, pursuant to United States Sentencing Guidelines ("U.S.S.G.") Section 1B1.3, or other conduct of the defendant, pursuant to U.S.S.G. § 1B1.4, that the Court may consider at the time of sentencing.

It is understood that this Agreement does not bind any federal, state, or local prosecuting authority other than this Office. This Office will, however, bring the cooperation of Rechnitz to the attention of other prosecuting offices, if requested by him.

It is understood that the sentence to be imposed upon Rechnitz is within the sole discretion of the Court. This Office cannot, and does not, make any promise or representation as to what sentence Rechnitz will receive, and will not recommend any specific sentence to the Court. However, this Office will inform the Probation Office and the Court of (a) this Agreement; (b) the nature and extent of Rechnitz's activities with respect to this case and all other activities of Rechnitz which this Office deems relevant to sentencing; and (c) the nature and extent of Rechnitz's cooperation with this Office. In so doing, this Office may use any information it deems relevant, including information provided by Rechnitz both prior to and subsequent to the signing of this Agreement. In addition, if this Office determines that Rechnitz has provided substantial assistance in an investigation or prosecution, and if he has fully complied with the understandings specified in this Agreement, this Office will file a motion, pursuant to Section 5K1.1 of the Sentencing Guidelines, requesting the Court to sentence Rechnitz in light of the factors set forth in Section 5K1.1(a)(1)-(5). It is understood that, even if such a motion is filed, the sentence to be imposed on Rechnitz remains within the sole discretion of the Court. Moreover, nothing in this Agreement limits this Office's right to present any facts and make any arguments relevant to sentencing to the Probation Office and the Court, or to take any position on post-sentencing motions. Rechnitz hereby consents to such adjournments of his sentence as may be requested by this Office.

It is understood that, should this Office determine either that Rechnitz has not provided substantial assistance in an investigation or prosecution, or that Rechnitz has violated any provision of this Agreement, such a determination will release this Office from any obligation to file a motion pursuant to Section 5K1.1 of the Sentencing Guidelines, but will not entitle Rechnitz to withdraw his guilty plea once it has been entered.

It is understood that, should this Office determine, subsequent to the filing of a motion pursuant to Section 5K1.1 of the Sentencing Guidelines and/or 18 U.S.C. §3553(e), that Rechnitz has violated any provision of this Agreement, this Office shall have the right to withdraw such motion.

It is understood that, should Rechnitz commit any further crimes or should it be determined that he has given false, incomplete, or misleading testimony or information, or should he otherwise violate any provision of this Agreement, Rechnitz shall thereafter be subject to prosecution for any federal criminal violation of which this Office has knowledge, including perjury and obstruction of justice. Any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against Rechnitz, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of such prosecution. It is the intent of this Agreement to waive all defenses based on the statute of limitations with respect to any prosecution that is not time-barred on the date that this Agreement is signed.

It is understood that in the event that it is determined that Rechnitz has committed any further crimes, given false, incomplete, or misleading testimony or information, or otherwise violated any provision of this Agreement, (a) all statements made by Rechnitz to this Office or other designated law enforcement agents, and any testimony given by Rechnitz before a grand jury or other tribunal, whether prior to or subsequent to the signing of this Agreement, and any leads from such statements or testimony shall be admissible in evidence in any criminal proceeding brought against Rechnitz; and (b) Rechnitz shall assert no claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or any leads therefrom should be suppressed. It is the intent of this Agreement to waive all rights in the foregoing respects.

It is further understood that this Office will not object to the defendant's release on the following bail conditions, that is a \$500,000 personal recognizance bond secured by cash or real property, travel restricted to the continental United States, surrender of all travel documents and no new applications, and adherence to all other standard conditions of release. This Office reserves the right to move without notice to the defendant for a revocation or modification of the above bail conditions should it determine that Rechnitz has violated any provision of this Agreement or condition of his release, or should it determine that such a revocation or modification is otherwise appropriate. The defendant hereby consents to any such revocation or modification.

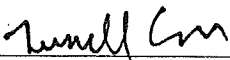
The defendant hereby acknowledges that he has accepted this Agreement and decided to plead guilty because he is in fact guilty. By entering this plea of guilty, the defendant waives any and all right to withdraw his plea or to attack his conviction, either on direct appeal or collaterally, on the ground that the Government has failed to produce any discovery material, *Jencks* Act material, exculpatory material pursuant to *Brady v. Maryland*, 373 U.S. 83 (1963), other than information establishing the factual innocence of the defendant, and impeachment material pursuant to *Giglio v. United States*, 405 U.S. 150 (1972), that has not already been produced as of the date of the signing of this Agreement.

The defendant recognizes that, if he is not a citizen of the United States, his guilty plea and conviction make it very likely that his deportation from the United States is presumptively mandatory and that, at a minimum, he is at risk of being deported or suffering other adverse immigration consequences. The defendant acknowledges that he has discussed the possible immigration consequences (including deportation) of his guilty plea and conviction with defense counsel. The defendant affirms that he wants to plead guilty regardless of any immigration consequences that may result from the guilty plea and conviction, even if those consequences include deportation from the United States. It is agreed that the defendant will have no right to withdraw his guilty plea based on any actual or perceived adverse immigration consequences (including deportation) resulting from the guilty plea and conviction. It is further agreed that the defendant will not challenge his conviction or sentence on direct appeal, or through litigation under Title 28, United States Code, Section 2255 and/or Section 2241, on the basis of any actual or perceived adverse immigration consequences (including deportation) resulting from his guilty plea and conviction.

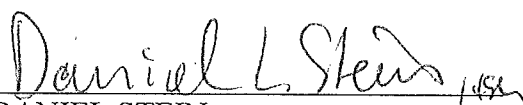
This Agreement supersedes any prior understandings, promises, or conditions between this Office and Rechnitz. No additional understandings, promises, or conditions have been entered into other than those set forth in this Agreement, and none will be entered into unless in writing and signed by all parties.

Very truly yours,

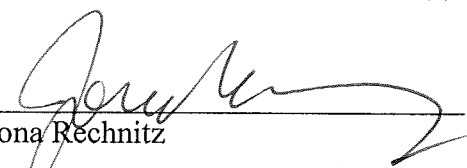
PREET BHARARA
United States Attorney

By: 
Martin S. Bell
Russell Capone
Kan M. Nawaday
Assistant United States Attorney
(212) 637-2463 / 2247 / 2311

APPROVED:

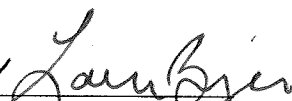

DANIEL STEIN
Chief, Criminal Division

AGREED AND CONSENTED TO:


Jona Rechnitz

June 6, 2016
DATE

APPROVED:

 
Alan Levine, Esq.
Laura Birger, Esq.
Attorneys for Jona Rechnitz

June 6, 2016
DATE